

FORM MR-RC  
Revised 2/17/89  
RECLAMATION CONTRACT

File Number 11/015/014  
Effective Date 11/30/89

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
(801) 538-5340

RECLAMATION CONTRACT

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) 11/015/014  
(Mineral Mined) Uranium

"MINE LOCATION":

(Name of Mine) FOUR CORNERS MINE  
(Description) See attached Reclamation Estimate  
\_\_\_\_\_  
\_\_\_\_\_

"DISTURBED AREA":

(Disturbed Acres) 6.8  
(Legal Description) Exhibit A  
\_\_\_\_\_

"OPERATOR":

(Company or Name) San Rafael Energy, Inc.  
(Address) P.O. Box 805  
Moab, Utah 84532  
\_\_\_\_\_  
(Phone No.) 801-259-5852  
801-259-5670

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone No.)

San Rafael Energy, Inc.

Gary L. Jacobson

P.O. Box 805

801-259-5852

"OPERATOR'S OFFICER(S)":

Gary L. Jacobson

Joe D. Bierschied

William Bengé

"SURETY":

(Form of Surety - Exhibit B)

Certificate of Deposit

"SURETY COMPANY":

(Name, Policy or Acct. No.)

"SURETY AMOUNT":

(Escalated Dollars)

7,000

"ESCALATION YEAR"

1991

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

Revision Dates:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Operator and the Board.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. 17/015/014 which has been approved by the Division under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim the Disturbed Area in accordance with Operator's approved Reclamation Plan and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:


1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board, which surety is in the form of the surety attached hereto as Exhibit B and made a part hereof. The surety shall remain in full force and effect according to its terms unless modified by the Board in writing.
3. Operator agrees to pay public liability and property damage claims resulting from mining as determined by the Board or the Division, to the extent provided in the Act.

4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, and the Reclamation Plan.
5. The Operators liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention and the Reclamation Plan.
6. Operator agrees to indemnify and hold harmless the State, Board and Division from any claim, demand, liability, cost charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents, and employees, or contractor to comply with this Contract.
7. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
8. This Contract shall be governed and construed in accordance with the laws of the State.
9. If Operator shall default in the performance of the obligations heretofore, Operator agrees to pay all costs and expenses, including attorneys fees and costs generated by the Division and/or the Board in the enforcement of this Contract.

10. Any breach of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety, or take such other action as is authorized by law.
11. In the event of forfeiture of the Surety, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this contract. Any excess monies resulting from forfeiture of the Surety, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
12. This Contract represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
13. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

SO AGREED this 30th day of November, 1989.

APPROVED AS TO FORM AND AMOUNT OF SURETY:

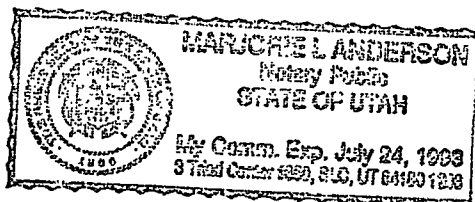
By   
Chairman, Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By Dianne R. Nielson 11-30-89  
Director Date

STATE OF UTAH)  
) ss:  
COUNTY OF SALT LAKE)

On the 30<sup>th</sup> day of NOVEMBER, 19 89, personally appeared before me, who being by me duly sworn did say that he/she, the said DIANNE R. NIELSON is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Marjorie L. Anderson  
Notary Public  
Residing at: SLC, Utah

My Commission Expires:

RECEIVED  
NOV 13 1989

ON FILE  
CLERK OF COURT

INSTITUTION:

San Rafael Energy Inc.,

Surety (Company)

Gary L. Jacobson, President  
Company Officer - Position

11-1-89

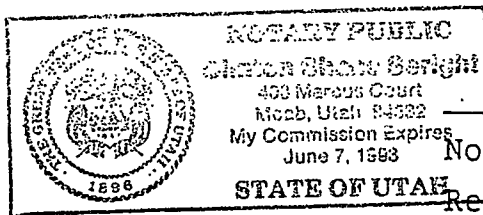
Date

STATE OF Utah)

) SS:

COUNTY OF Grand)

On the 1st day of November, 1989, personally appeared before me Gary L. Jacobson who being by me duly sworn did say that he/~~she~~ the said Company Officer is the President of San Rafael Energy Inc., a Utah Corporation and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Gary L. Jacobson duly acknowledged to me that said company executed the same.



Sharon Shaw Beright  
Notary Public

Residing at: Moab, UT

6-7-93

My Commission Expires:

NOTE: An Affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

**EXHIBIT A**

**FOUR CORNERS MINE  
LEGAL DESCRIPTION**

The site is located in the E 1/2, NW 1/4, of Section 22  
Township 21 S, Range 14 E